

# FY12 Southside Economic Development Staff Summaries and Recommendations December 2011

*The Commission received 11 applications for FY12 and carried-forward balances of Southside Economic Development grant funds by the published deadline of October 14, 2011. Two projects that were tabled in the previous round are also listed below. Balances available by jurisdiction are broken out on the following spreadsheet.*

ID	City/ County	Organization Name	Project Title	Allocation Available	Request Amount	Staff recommen- dation
2451	<i>Appomattox</i>	Carver-Price Legacy Museum	Carver-Price Legacy Museum's Community Enrichment Program	\$21,594	\$100,000	<b>\$0</b>
2468	<i>Brunswick</i>	Brunswick County IDA	Virginia Carolina Water and Sewer Service Project	\$2,706,984	\$887,184	<b>\$887,184</b>
2470		Brunswick County IDA	Route 58 East Water and Wastewater System Project		\$67,500	<b>\$25,000</b>
2455	<i>Campbell</i>	Campbell County	Seneca Commerce Park Public Sewer System, Phase III, Gravity Lines and 3 Phase power	\$200,813	\$200,814	<b>\$200,814</b>
2458	<i>Charlotte</i>	Town of Keysville	Town of Keysville - Drinking Water System Improvements	\$1,686,571	\$879,000	<b>\$0</b>
2308	<i>Franklin</i>	Town of Boones Mill	Town of Boones Mill Industrial Development Project	\$850,034	\$490,000	<b>\$100,000</b>
2318		Town of Rocky Mount	Rocky Mount-Franklin County Industrial Park Phase II Rough Grading & Drainage		\$812,500	<b>\$587,788</b>
2469	<i>Halifax</i>	Halifax County IDA	Burlington Industries Bldg./Site Revitalization Project for Halifax County	\$1,281,804	\$600,000	<b>withdrawn</b>
2456		Halifax Regional Hospital	Halifax Regional Dental Clinic		\$400,000	<b>table</b>
2485		Halifax County IDA	Project Fan for Riverstone Technology Center		\$500,000	<b>\$500,000</b>
2466	<i>Lunenburg</i>	Lunenburg County	Acquisition and Renovation of Existing Manufacturing Facility	\$1,128,993	\$650,000	<b>\$650,000</b>

2461		Lunenburg County	Shell Building Sitework Complications		\$90,000	<b>\$90,000</b>
2471	<i>Pittsylvania</i>	Pittsylvania County	Brosville Industrial Park - Development Ready Sites	\$2,471,109	\$1,561,842	<b>\$141,986</b>
2467	<i>Regional</i>	Mid-Atlantic Broadband Cooperative, Inc.	Southern Virginia Broadband Expansion	\$2,500,000	\$2,500,000	<b>\$2,500,000</b>

**total (13 requests/recommendations)      \$9,238,840      \$5,682,772**

## **APPOMATTOX**

### **Carver-Price Legacy Museum**

#### ***Carver-Price Legacy Museum's Community Enrichment Program (#2451)***

**\$100,000 requested**

**Project description provided by applicant:** The Carver-Price Alumni Association, Carver-Price Legacy Museum, plans to renovate the old Carver-Price High School auditorium. Once renovated the auditorium would become a community enrichment site by providing a venue for the performing arts. The Carver-Price Alumni Association has entered into a partnership with the County of Appomattox whereby the County agrees to give the Alumni Association a long term lease for the control and usage of the old Carver-Price auditorium. The project requires the renovation of the space at a cost of about \$209,000. The County has given us five years to accomplish our goal. Once renovated the auditorium will be rented for use. We hope to be able to fund several job opportunities and provide some funding for the Carver-Price Legacy Museum from proceeds. Commission funds would be used to renovate the auditorium.

**Staff comments and recommendation:** This former school also houses the CVCC Appomattox Center funded by the Commission, and Carver-Price's Legacy Museum. The proposed uses focus primarily on hosting African-American performing arts, in addition to being available to other cultural and civic groups, churches, and other general use. Matching funds include roof repairs already completed by the County (\$64,500) and \$24,000 to be raised by the applicant for repair of seats. While the proposed uses may complement the nearby Moton Museum in Farmville, the expected economic outcomes are modest and speculative (350 additional visitors per year and four jobs), particularly in light of an incomplete business plan and no written documentation of economic impacts (VCU has reportedly been contacted to provide the latter). A more detailed operating budget was requested of the nonprofit applicant, along with updated renovation cost estimates (estimates from 2006 are included in the proposal and factored for inflation). A positive funding recommendation would send a message that the Commission will fund local cultural arts facilities, which is contrary to the objectives of the Economic Development program and is specifically listed as a Low Priority of the Commission. **Staff recommends no award.**

## **BRUNSWICK**

### **Brunswick County IDA**

#### ***Virginia Carolina Water and Sewer Service Project (#2468)***

**\$887,184 requested**

**Project description provided by applicant:** Virginia Carolina Forest Products is one of Brunswick County's oldest and most stable businesses that has outgrown its well water and wastewater septic etc. system. In order to retain the company's growth in Brunswick, the IDA is seeking funds to extend the municipal water and sewer system so the company can connect to it. Additional information on the company's impact on the Brunswick County economy is attached; along with an analysis of the project costs.

**Staff comments and recommendation:** A PER provided by the County considered on site treatment options and recommends connection to Town of Lawrenceville facilities (6,500 liner feet of new waterline and 2,500 feet of wastewater force main, with a pump station). The minimum required match (10% of project costs) is “intended” by the applicant. The company to be served employs 40 people on site and another 27 in sister companies based in Brunswick, in addition to supply chain loggers, truckers, etc. The company is reported to have expansion plans at this site that would be stopped if a DEQ notice of violation is not addressed regarding the boiler discharges that are currently being sent to holding ponds. **Staff recommends \$887,184 award with disbursements not to exceed 90% of project costs and contingent on resolution of a \$307,275 remaining balance on Grant #1589 awarded in April 2008 for the I-85 Business Park.**

### **Brunswick County IDA**

#### ***Route 58 East Water and Wastewater System Project (#2470)***

**\$67,500 requested**

**Project description provided by applicant:** Funds are being requested to support the preparation of plans to develop the water and wastewater system in the Route 58 east corridor. These plans will include A PER to expand the service of the Lawrenceville System and developing a comprehensive approach to increasing the water and sewer service capacity that includes a PER on utilizing a 2002 DEQ permit to withdraw 8.2 million gallons per day from the Meherrin River at a point south of 58 east.

**Staff comments and recommendation:** The proposal seeks funding for two PERs, one to connect to Lawrenceville facilities (\$25,000), and a second to examine the use of the Meherrin River and an adjacent quarry as water sources (\$30,000). Funds are also sought to negotiate use agreements with the Town (\$20,000). The minimum required match (10% of project costs) is stated to be available in the IDA's capital improvement budget. The objective is to serve sites on Route 58 seven miles east of Lawrenceville that were studied in the Commission's 2005 auto megasite process, a portion of which has since been selected by Dominion Virginia Power for development of a combined cycle natural gas fired power plant (a TICR Southside grant of \$533,520 was approved at the most recent Commission meeting to help the County acquire the acreage for the Dominion plant). It is clear that the first PER to connect to the Lawrenceville facilities is necessary to continue to move forward in meeting site requirements for Dominion. The \$30,000 for the 2<sup>nd</sup> PER examining the use of the Meherrin River appears to be in contradiction or duplication of intent for a \$72,000 award by TICR in May 2011 to the Town of Lawrenceville for PER to address water and sewer capacity needs in the areas of the County served by their system. It is noted that there are multiple engineering firms working independently with locality clients proposing different engineering needs and solutions within the County and each is expecting

TICR to cover the majority of the costs for their services. Both applications submitted by Brunswick County during this grant cycle identify the Lawrenceville system for meeting the supply needs. The \$30,000 for PER to evaluate the delivery of Meherrin River water source is not identified as necessary for attracting Dominion and if the committee chooses to support funding for this aspect of the proposal it is recommended that coordination with the existing engineering services in contract negotiations under the Lawrenceville award be required. The requests for \$20,000 in professional service fees for developing contract and agreement documents between two TICR localities does not seem an appropriate use of Commission funds and it is suggested that this be covered by local matching funds. **Staff recommends a \$25,000 award for PER to extend water and sewer to the Dominion site.**

## **CAMPBELL**

### **Campbell County**

#### ***Seneca Commerce Park Public Sewer System, Phase III, Gravity Lines and 3 Phase Power (#2455)***

**\$200,814 requested**

**Project description provided by applicant:** This is the third phase of a three phase project. Phase III will engineer and install the gravity main lines inside the industrial park, construct a service access road to the pump station, and extend three phase industrial power to the back section of Seneca Commerce Park where the pump station is located.

**Staff comments and recommendation:** TICR has approved two previous grants for sewer phases one and two, totaling \$865,374, in addition to two earlier grants for park development totaling \$343,848. The park has two current occupants that employ 25. This sewer project will enable the County to develop up to 17 lots in the park, as opposed to only seven lots if septic systems are used. Substantial local matching funds totaling \$359,186 are proposed from the County's Capital Improvement Fund. The County is proposing that Phase II funding awarded in October 2010 to support the pump station would be combined with this request in order to save on total mobilization costs. By having a public sewer system the County estimates it can double the original job estimate range of between 175 to 350 jobs based on an in-ground septic system to a range from 300 to 700. Estimates of private capital investment at full build-out of the Park were not provided. **Staff recommends \$200,814 award.**

## **CHARLOTTE**

### **Town of Keysville**

#### ***Drinking Water System Improvements #2458***

**\$879,000 requested**

**Project description provided by applicant:** The Project: Drinking Water System Improvements. Requesting Tobacco Commission for construction funding for a waterline loop to serve the Business Park and Industrial Park. The two parks will see enhancements in normal service, fire protection and reliability. In the Spring of 2011, the Commission awarded the Town \$100,000 for final engineering design of the loop route - see attached file "Keysville loop - Map and design files". The Map (G-003) indicates route; design shows segments. The Commission staff has on file the PER and its Addendum

for the overall project. VDH is funding other portions of the improvements. Wiley|Wilson found that normal service, fire protection, and reliability can be dramatically improved if a new 10-inch line is constructed parallel to the Route 360 bypass area. This would create a loop by connecting the core of the Town's water supply network with the Town-owned 12-inch line that feeds the Business Park at the Park entrance off the 360 Bypass. Overall project cost estimate is \$1,899,300. For drinking water system improvements that could be funded via the Virginia Department of Health (VDH), the Town applied for and has been awarded \$920,300 (\$690,225 as grant; \$230,075 as loan). The Town's match (10% minimum required by Tobacco Commission) is this VDH award which represents 48.5% of the total project cost.

**Staff comments and recommendation:** TICR has invested more than \$5 million to date to create the Heartland Park and improve Keysville's water and sewer service to the Park. This waterline loop is proposed to ensure better flows and redundant service to the Heartland and County industrial parks, as well as the SVCC Keysville campus. The VDH project that serves as matching funds (\$920,300) will make several improvements to the Town's treatment plant and distribution lines, while TICR funds will fully fund the buildout of the 9,900 foot waterline and related facilities (the VDH project has no matching fund requirement and is therefore not dependent on this TICR request). The objective is to serve the water needs of future Heartland Regional park prospects, which are unknown at this time. TICR received a similar funding request under the FY11 2<sup>nd</sup> Round of Southside, a \$1.2 million request from the Town of Keysville for a longer 16,000 foot route in lieu of this previously-identified shorter line. Having funded design of the shorter line with a FY11 grant of \$100,000, there appears to be no compelling argument to obligate construction funds at this time without having an active prospect or further-defined prospect needs for water (absent an industrial park prospect, this loop will primarily benefit non-commercial users by facilitating water flow through the system by eliminating dead-ends in existing lines). At such time as a high-volume water user is attracted to the Heartland Park, the Commission will be prepared to consider a construction award using these engineered plans. **Staff recommends no award.**

## FRANKLIN

### **Town of Rocky Mount**

#### ***Rocky Mount-Franklin County Industrial Park Phase II Rough Grading & Drainage (#2318 – previously tabled by the Committee in May 2011)***

**\$812,500 requested**

**Project description provided by staff:** Funds are requested to complete the rough grading of three new pads in the Rocky Mount-Franklin County Industrial Park. The rail-served site is adjacent to a Norfolk-Southern line and four-lane highways. Previous TICR grants have been used for engineering and access road construction, which is complete. The requested funds would allow rough-grading of a 15-acre rail-served pad and two adjacent four-acre pads (one of which could be used to expand the 15-acre pad). The application states that the overall site could accommodate 300,000 to 400,000 square feet of floor space and estimates up to 700 new jobs therein, although a recent RFI by VEDP and Roanoke Partnership identified six projects seeking similar sites that involved from 60-300 jobs and \$60-\$250 million of private capital investment.

**Staff comments and recommendation:** The Town request in Spring 2011 exceeded the allocation that was then available for projects in Franklin County. The original application identified \$1.7 million in total project costs with all matching funds listed as pending. Supplemental information provided by the Town in October 2011 details preliminary project costs at \$3.4 million including construction costs of

\$653,098 for a 5-acre pad and \$2,741,558 for a 19 acre pad. The Town notes the intention for the Franklin County IDA to issue bonds in excess of \$2 million with debt services to be shared by the County and the Town for the balance of project costs in excess of the available grant funds and direct contributions by the localities (identified as \$150,000 each from Franklin County and the Town). This project has been the subject of multi-year development and marketing efforts by the Town, the County, Norfolk-Southern, VEDP and the Roanoke Regional Partnership, so there is a high probability the site will be thoroughly marketed until an occupant is secured. A request to federal EDA that was pending at the time of the original application is no longer included in the project budget. Recognizing that when the Franklin County IDA completes bonding or other funding is secured for the ~ \$2 million needed for grading the larger site that a second application can be submitted to TICR for additional funding consideration, and that there is an immediate need for a development ready site to attract a tenant in order to comply with the VDOT bonded road funds, **Staff recommends \$587,788.20 award for 90% of the \$653,098 estimated cost for the 5-acre pad.**

## **Town of Boones Mill**

### ***Industrial Development Project (#2308 – previously tabled by Committee in May 2011)*** **\$812,500 requested**

**Project description provided by staff:** Funds are requested to begin revitalization of former modular home manufacturing plant that is being acquired by the Town. The multi-building, rail-served 60-acre property will house the Town's offices and operations, and according to a preliminary architectural report completed for the Town, allows for potential development of several buildings and spaces to accommodate private industrial users. Funds would be used to complete a concept feasibility and master plan (\$14,400), demolish unstable buildings (\$180,600) and renovate 8,300 square feet of office and industrial space to house a current prospect that is planning to lease the space to begin a spring water bottling business (\$295,000). The bottling business would create 8-12 new jobs with average salary of \$41,600 and private capital investment of \$500,000.

**Staff comments and recommendation:** This is a tabled application that staff previously recommended for a \$100,000 award to complete the requested site master plan, a feasibility study and business plan for the bottling operation, and to fund demolition costs at a reduced level. Potential uses of the property now identified as the Boones Mill Industrial Park are expected to be clarified by the concept feasibility and master plan study, and the Town has enlisted assistance from VEDP, Norfolk-Southern and Roanoke Regional Partnership in assessing the site's industrial development potential. The demolition work is necessary to remove collapsed structures and allow adjoining structures to be used for private industry. Through further developments, and in supplemental information received by staff, the Town has identified a vendor to provide the demolition work for a \$21,627 and is requesting the remaining funds identified for demolition expenses and included in the earlier staff recommendation be used for renovations to stabilize the exposed Section A and Section C exterior walls, doors and roof in order to salvage portions of the remaining structure (Section D) for improvements and renovations instead of the earlier plan for complete demolition. The Town has consulted with structural engineers in making this decision and a copy of the evaluation by Integrity Engineering was provided to staff. The bottling operation appears to be a significant business opportunity (the Town, which currently dumps millions of gallons of unused high quality spring water annually, has been approached by an interested private operator but has not yet completed an independently-verified business plan). TICR staff suggested to the Town that assistance with completing a feasibility study and business plan for the bottling operation could lead to a better understanding of the ability to finance some or all of the renovations from bottling revenues and/or lease payments. All proposed matching funds are in the



form of a \$400,000 approved bank loan for the Town to acquire the site. Town has not received TICR funds to date. The Town has provided further updates on two new tenants for the Industrial Park property including a metal fabrication machinery business relocating from Roanoke which is currently renting 3,500 square feet at the Park and has expressed intentions to rent as much as 8,000 to 15,000 square feet of additional space as soon as the Town has space available with utilities and when the other renovations are completed. **Staff recommends an award of \$100,000 to complete the site master plan, feasibility study and business plan for the bottling operation, and to support the demolition and structural renovations.**

## HALIFAX

### Halifax County IDA

***Burlington Industries Bldg/Site Revitalization Project for Halifax County (#2469)***  
**\$600,000 requested – ~~withdrawn by the applicant~~**

### Halifax Regional Hospital

***Halifax Regional Dental Clinic (#2456)***

**\$400,000 requested**

**Project description provided by applicant:** Halifax Regional Hospital (HRH) in partnership with the District 13 Planning Commission and the Town of South Boston, proposes to construct and operate a community dental health clinic serving low-to-moderate-income and uninsured residents of Halifax, Mecklenburg, and Charlotte Counties. In addition to creating the construction and permanent operating jobs associated with the clinic, this project will significantly impact the health of the community and will positively impact the quality of our labor force.

**Staff comments and recommendation:** The clinic, which will be built with \$700,000 of committed CDBG funds, will employ eight fulltime staff (two dentists, one hygienist and five support staff). Commission funds are requested for the majority of the \$450,000 cost to equip the clinic. A needs assessment was completed a year ago, and ten local dentists were surveyed. More than 2,400 patients are expected, of which 80% will be children and 73% will be low- to moderate-income. Halifax and the neighboring Counties of Mecklenburg and Charlotte are all designated as Virginia Dental Health Professional Shortage Areas. Healthcare projects, particularly those focused on children and the unemployed or uninsured, are not currently a funding priority for the Commission, although this topic will be discussed in the Commission's upcoming strategic planning process. This proposal mirrors a proposal from the Town of Nickelsville that was tabled in Southwest Economic Development pending the strategic planning process. Discussion by the TICR subcommittee looking at the JLARC recommendations suggest Special Projects as the venue for supporting health care related projects and that concept will be discussed by the TICR Executive Committee in the upcoming strategic planning process. **Staff recommends the project be tabled, and that the Committee Chairman be authorized to refer this proposal to Special Projects in the event that policy is approved to direct healthcare projects to the Special Projects program.**

## Halifax County IDA

### *Project Fan for Riverstone Technology Center (#2485)*

**\$500,000 requested**

**Project description provided by applicant:** Faneuil, Inc. proposes to lease premises located in Riverstone Technology Centre owned by the Industrial Development Authority of Halifax County. The space will be upfitted with Tobacco Commission funds in the amount of \$500,000 from Southside and \$300,000 from TROF with a county contribution of up to \$90,000. The space will be used for the purpose of general offices and an inbound customer call center for Dominion Virginia Power together with ancillary uses to be developed into a call center environment consisting of 100 seats initially, expanding to 150 in the first year. The space will consist of support staff cubicles, offices, conference room, training room lobby, equipment room, etc. as specified by Faneuil. The lease term will be for 5 years, commencing on the fully operational date, now projected for January 31, 2012. The IDA will be responsible for upfitting 10,761.5 usable sq. ft., using BOMA Area Calculations for Common Areas for a rentable sq. footage of 13,689.7. In order to achieve the desired Full Service Lease Rate solution for the space, the IDA will have to use grant funds to keep the upfit costs out of the lease rate to locate this project. The lease rate is sufficient to cover operating costs for the leased premises and proportional debt service and operating costs for the building. The company is committed to hiring 150 people during the first 36 months of operation.

**Staff comments and recommendation:** This is an active project with VEDP. The tenant will lease approximately one-fifth of the available space in Riverstone providing a dependable revenue stream to assist the IDA with debt services and operating costs for the building. The company is committed to \$1.4 million private capital investment. Starting wages of the 150 new employees are expected to average \$10 per hour plus benefits. The most recent construction estimate puts total renovation costs at \$715,219 and is expected to increase with the addition of ceiling and miscellaneous electrical work. The IDA is requesting \$800,000 in combined funding from TCR including \$300,000 TROF and \$500,000 from Southside allocation to support the contractual charges and renovations for the up-fit on the building in order to accommodate the prospect requirement for construction to be completed and to have access to the building by the end of December 2011. **Staff recommends a transfer of \$500,000 from Halifax Southside allocation to the TROF program to provide that portion of an \$800,000 TROF commitment (#2484) approved in November 2011.**

## LUNENBURG

### Lunenburg County

#### *Acquisition and Renovation of Existing Manufacturing Facility (#2466)*

**\$650,000 requested**

**Project description provided by applicant:** STEPS, a manufacturing company, in Victoria, Virginia has outgrown its current facility that is owned by the Lunenburg County IDA. The County is currently working on a Community Development Block Grant-Planning Phase to assess the space needs of STEPS, and to research several options to meet those needs. The options are pointing to locating in a building that will come available in the very near future. This building houses Fellowship Chair. This company is also growing steadily and seeks to move into a larger building, also in Victoria, that is currently vacant. This grant request is for the purchase of the Fellowship Chair Building which is currently privately owned by the parent company, Comfortex. The sale price of this building, 65,000sf +/-, is being negotiated at this time with \$650,000 being the asking price. The County and the Town of



Victoria are working together on this project. Because a CDBG grant requires that control of the property be retained by a governmental entity, the County and the Town are exploring the best ownership situations as well as a lease agreement with STEPS in this larger facility. The CDBG application will be for renovations to the building and will be for the maximum amount of \$700,000. This request is for \$650,000 with a match of 10% or \$65,000. With the renovations that STEPS will need in this facility, any monies available after the purchase of the building will be used to start on the work on these renovations

**Staff comments and recommendation:** This project facilitates expansion opportunities for two companies in Lunenburg County into existing buildings within the County and vacates a third smaller building currently owned by Lunenburg County IDA that can be marketed for a new light manufacturing tenant. Comfortex is interested in acquiring the Caddis Manufacturing (135,000 square feet) building, thereby doubling available space for expansion of their Fellowship Chair business. STEPS which operates a sewing facility and has over 100 employees has a need to expand to a larger facility and the County has identified the current Fellowship Chair building (65,000 square feet) as an alternative to their existing facility that is owned by the IDA (26,000 square feet). The STEPS expansion is projected to result in creation of 40 jobs but will require substantial renovations that are expected to be funded in part by a request to CDBG. Acquiring the Fellowship Chair building by the IDA at this time helps to meet eligibility requirements of the CDBG program improving likelihood for a future award.

**Staff recommends award of \$650,000 to support acquisition and renovations to the building currently owned by Comfortex in order to accommodate growth projections for STEPS, contingent on 1) purchase price not to exceed appraised value, and 2) on a separate real estate transaction providing for Comfortex's expanded operations within Lunenburg County.**

## **Lunenburg County**

### ***Shell Building Sitework Complications (#2461)***

**\$90,000 requested**

**Project description provided by applicant:** This grant request is an addition to the existing Grant #1915-Build-out of the Shell Building. This grant is the total of two complications in the site package. Part 1. The original grant proposal included a \$200,000 site package. When bid proposals were received, the site package cost had increased by approximately \$50,000. This money can be traced to changes in Storm Water regulations that went into effect on July 1, 2011 (approximately \$20,000), and a new requirement by VDOT for paving in any entrance onto a paved road (\$30,000). We are requesting \$50,000 from the Tobacco Commission to complete these two segments of work that were not covered in the original grant.

Part 2. When the site contractor commenced work on building the road, he encountered a large amount of topsoil that had been dumped in the future roadway during the construction of the shell building. The removal of this dirt which is unsuitable and replacement with compactable soil is required for meeting VDOT standards in the roadway. The current estimate for all of the work on the north side of the building is \$25,000. Considering these problems, we are requesting an additional \$15,000 to cover the entrance road and parking on the south side of the building. This is a total of \$40,000 to cover the unsuitable soil portion.

A 10% match or \$10,000 will be used to pay for additional design work and testing as a result of these sitework complications.

**Staff comments and recommendation:** Funds are requested to cover unexpected site development costs for location of Project Safety. The company has committed to \$5.9 million private investment and creation of 46 jobs with average salary of \$36,000. The company has moved equipment in and has

started training workers. Staff notes that while the access road portion of this request is modest, County economic development staff did pursue VDOT Access Road funds but found this was not a viable option due to limited availability of funding in the program and timing issues with the need to complete construction in order to meet the company's immediate needs. **Staff recommends \$90,000 award.**

## **PITTSYLVANIA**

### **Pittsylvania County**

#### ***Brosville Industrial Park – Development Ready Sites (#2471)***

**\$1,561,842 requested**

**Project description provided by applicant:** This project continues Pittsylvania County's strategy of creating fully Development Ready Sites, with construction pads, stormwater facilities and full utility service in place, by creating two sites in the existing Brosville Industrial Park. This project will help the County meet the demonstrated need by prospects for fully served sites ready for immediate construction. The Brosville Industrial Park originally consisted of approximately 79 acres, of which 62 acres is directly accessed by Brosville Industrial Road, Approximately 17 acres is accessed from U.S. Route 58. A total of 43.6 acres along the industrial park road remains undeveloped and in ownership of the Pittsylvania County IDA. This project proposes to create one pad site of 20.6 acres at the end of the existing cul-de-sac, and one adjacent pad site of 2.5 acres. There will be provisions for extending the industrial park road in the future to access adjacent properties.

**Staff comments and recommendation:** The proposal requests \$141,986 for engineering and \$1.4 million for actual grading. While the project would increase total inventory of development ready sites in the County, graded and fully-served sites already exist at the Cane Creek Center and Ringgold East Industrial Park meeting the VEDP designation as a Right Now Sites (131 acres and 44 acres respectively listed for largest contiguous parcel available), as well as parcels in the Gretna Industrial Park. TICR Staff acknowledges the County's position that a graded site at Brosville is more likely to attract an industry, but notes that the County's objective of having Development Ready sites is already being met at the sites described above, and that any grant support at this time should be limited to the completion of engineering of the Brosville site. At such time as a prospect is determined for the site a future funding request can be submitted for completion of grading etc. Staff further observes that a higher and better use may be to preserve the requested grading funds for potential use in the Berry Hill Mega Park (a April 7, 2009 letter from the County Administrator notes Berry Hill megasite "has been characterized as a 'game changer' in its ability to transform the economy of Southside Virginia"). The Danville-Pittsylvania Regional Industrial Facility Authority has requested \$6.2 million from the TICR Megasite program for site development at Berry Hill, but the FY11 Berry Hill Megasite application noted future development costs there of more than \$90 million. **Staff recommends award of \$141,986 for final engineering of the Brosville site.**

## REGIONAL

### **Mid-Atlantic Broadband Cooperative, Inc.**

#### ***Southern Virginia Broadband Expansion (#2467)***

**\$2,500,00 requested**

**Project description provided by applicant:** MBC intends to implement additional infrastructure projects that extend the availability of broadband services to unserved communities, leverage private sector investments in expansion of broadband services, and incorporate new technologies for test-bed projects that have an opportunity to create jobs and investments in the region

**Staff comments and recommendation:** The proposal is in response to the Commission's budget strategy of designating \$2.5 million in each of the Economic Development Committee budgets annually for additional broadband deployment (following the retirement of the TICR Technology Committee and program). Funds are requested for a wireless pilot project with StratCom (\$250,000), GigaPark marketing initiative expansion for Southwest VA (\$50,000), new backbone electronics for Layer2 ethernet capabilities expected to benefit smaller ISP members (\$600,000), new fiber laterals in GigaParks (\$600,000) and 50/50 member matching grants to provide last-mile service in unserved or underserved areas (\$1,000,000). Funds for Stratcom are designed to support a wireless pilot project to be deployed at school sites to see if the range and service levels are adequate, with the ultimate goal of moving some of the company's production capacity from Korea to Southern Virginia. MBC has balances in excess of \$5 million under four active grants including ~ \$1.3 million in funds committed to the matching grants program (the entire \$1,000,000 committed under the FY11 award remains available). A report on the outcomes and progress of the matching grants program will be presented to the Southside committee at the December 6<sup>th</sup> meeting. **Staff recommends award of \$2,500,000.**

## OTHER BUSINESS

### **Roanoke River Rails to Trails**

#### **Extension of Grant #1383 – Tobacco Heritage Trail – Lacrosse-Lawrenceville Segment**

**&**

#### **Repurposing of Grant #1780 – Tobacco Heritage Trail – NF&D Boydton Segment**

The non-profit grantee requests 1) an extension beyond the fourth anniversary of award for Grant 1383 in order to complete an appraisal of a property that will be sold to the trail group at a 50% discount (a balance of \$29,806 remains on this grant awarded in July 2007 for \$863,891), and 2) permission to use the #1780 grant funds originally awarded in April 2009 for design and construction of a trail segment extending west of the Town of Boydton (a balance of \$145,550 remain in this grant awarded in April 2009 for \$159,471). Due to the costs of multiple stream crossing on the west segment the grantee now requests permission to use funds for a segment extending one mile east of Boydton. **Staff recommends a six month extension for Grant #1383, with unused funds to be deobligated by June 30, 2012, and approval of the request to change the site of funds in Grant # 1780 to the trail segment extending east of Boydton.**

## **Cumberland County**

### **Extension of Grant #1536 – *Water Service Extension Project***

The County requests an extension beyond the fourth anniversary of award for Grant 1536 in order to complete design and construction. A balance of \$28,035 remains from the award of \$96,630 made in January 2008. Reimbursements are currently ongoing. **Staff recommends approval of a six-month extension, with unused funds to be deobligated by June 30, 2012.**

The Committee may additionally be asked to consider partial funding for a grant proposal that is pending concurrently in the Agribusiness Committee, and will be considered Tuesday morning by Agribusiness prior to the Southside meeting. A summary of that proposal from the Agribusiness staff report follows. The Nottoway County staff has expressed its desire for the portion of the request for construction of a County-owned building to be considered using the available Southside allocation (\$1.2 million is currently available). **Staff finds this consistent with other Southside projects that have resulted in County-owned buildings being leased or sold to private businesses, and supports this funding approach.**

## **Nottoway County**

### ***Nottoway Farm to Fuel Project (#2460)***

**\$911,000 requested in Agribusiness**

**Project description provided by applicant:** Nottoway County seeks to establish a processing facility that will provide the missing link between farmers seeking to grow native, warm season grasses and end use consumers of that biomass material. Native, warm season grasses such as switchgrass offer a new alternative crop for local farmers on their mostly non-productive marginal land. It is a crop that has been documented to provide a cost effective source of fuel to large, institutional type facilities. It has proven to be a workable and renewable alternative to fossil fuels. The processing facility connects the farmer/producer with the end user, neither of which is capable of the initial cost of a needed operation to turn a raw farm product into a material that can be handled with existing heating systems. Nottoway County believes a processing center will not only satisfy current demands but will enable the new fuel source to become more widely grown, increasing farm income and lowering the cost of institutional and factory operations. Both outcomes will have a beneficial effect on the economy. As outlined in this application, Nottoway County is requesting assistance to establish the processing center.

**Staff comments and recommendation:** Funds are requested to prepare a site in Pickett Park to construct and equip a 45,000 square foot building with a small office space to store and grind bales of switchgrass before transporting to end users such as Piedmont Geriatric Hospital and the adjacent state Behavioral Rehabilitation detention facility in Crewe/Burkeville, where test burns have successfully indicated a monthly savings during the heating season of approximately \$50,000 over fossil fuels such as boiler heating oil and coal. The request includes \$732,000 for the buildings and site prep, in addition to \$179,000 for a truck scale and a 4-wheeled telehandler. The intent is to reduce loss of product due from spoilage in outdoor storage, and to maintain low moisture content levels needed for effective fueling of boilers. Matching funds of \$5.3 million derive primarily from a proposed \$5 million boiler upgrade at PGH, as well as various donated personnel, equipment, operating expenses and in-kind land value. Five private sector employees are expected to staff the center, presumably on a part-time basis (the proposal states a match of \$22,000 from a private partner to staff the center). The proposal states that the two state facilities will have a demand for 30 tons of biomass per day or 3,600 tons of switchgrass annually, which at an expected yield of 3 tons per acre equates to a goal of getting approximately 1,200 acres of otherwise unproductive farmland under contracted production. Expected prices are \$60 per ton or \$180 per acre. FDC Enterprises, an Ohio-based company, has been retained by PGH to provide 1,200 tons in

the upcoming winter at \$141 per ton, and is reportedly contracting with growers within a 40-mile radius to plant acreage for future production. Additional acreage might be contracted if other end users such as prisons, schools, hospitals and industries are secured. Nottoway would initially own the building and lease it to FDC, although the possibility of a future sale is mentioned. The proposal essentially underwrites a private company's contract to supply state facilities, protecting the value of inventory purchased by the private company, aiding the company in providing the desired product to the end users, and providing operating savings to taxpayer-supported state facilities. Supplemental information provided by the County and FDC is even more compelling, indicating that the 1,200 tons to be purchased this winter from FDC by the two state facilities will be sourced almost entirely from Lunenburg and Nottoway producers, with additional plantings being established currently in those two counties plus Dinwiddie. FDC states that "we are already offering higher prices for biomass located nearer the processing facility in Nottoway as inbound freight costs to processing plant are much lower ... so we can pass that saving along to the biomass crop owner." There clearly appears to be momentum toward establishing a critical mass of crop supply, demand from purchasers, and direct benefit to tobacco region producers via better prices for their proximity to the end users. **Staff recommends award of \$150,000 (from Agribusiness) for purchase of processing/handling equipment that will benefit producers in multiple tobacco counties, with ownership to be retained by the County, with the balance of the request for construction of the building (\$732,000) to be referred to the Southside Economic Development Committee per the request of the County.**